



ZERO DIVIDE.

COMMUNITY / TECHNOLOGY / OPPORTUNITY



2008

2008 brought an incredible set of experiences that most of us never expected in our lifetime, much less in the same year. Economic upheaval and political transformation have conspired to create a yin-yang environment for social investing.

The promise of a federal government newly attuned to the issues, conditions and solutions that disadvantaged communities experience daily gives us hope for the future. At the same time, the current global financial crisis has radically eroded the economic resources desperately needed by non-profit organizations and the clients they serve.



The visibility of technology's role in the 2008 election cycle emphasized its critical role in fully participating in our society. Access to and development of community-centered technology infrastructure, services, and applications are more critical than ever. Jobs skills training, educational progress, and civic participation all require an increasing level of technology literacy that is inaccessible to many consumers and residents of socially disadvantaged and economically depressed areas throughout the country.

Furthermore, after another year of executing our community enterprise investment strategy, we know that social enterprises are important contributors in achieving a "zerodivide." One of our investee partners, San Diego Futures Foundation and their venture, WhizKidz, trains disadvantaged young adults to develop marketable technical, entrepreneurial, and business skills. SDFF also

teaches small business owners in the San Diego City Heights area to leverage technology to improve productivity and increase revenue.

In East Palo Alto, EPA.net works with low-income youth to create web and video products for paying clients. Youth participate in leadership roles within the business to expand the client base.

Social enterprises that traditionally provide in-person technology training like the Bay Area Video Coalition and the Women's Audio Mission are expanding their technology training programs through offerings of online video modules. These organizations are able to stimulate technology adoption in underserved communities far beyond their local service area.

As we embark on uncharted territory with regard to underlying factors affecting our everyday lives, we are hopeful that our communities will thrive. We remain resolute in our support of the technology-powered, community enterprise model as we work to improve opportunities for all.

Tessie Guillermo
President & Chief Executive Officer



ZeroDivide's community investment strategy supports two major categories of investments: Big Bet Community Enterprises and Pipeline Ventures. Our Big Bets have completed an initial round of funding and are on their second year of implementing their ventures. Our Pipeline Investments are start-up ventures working to provide choices for emerging consumer markets in disadvantaged communities and improve economic conditions and civic participation for the disenfranchised.

BIG BET COMMUNITY ENTERPRISES

Big Bet Investments are solicited multi-year ventures that have demonstrated potential and initial capacity for developing a technology-based service/product/campaign for an underdeveloped market. These ventures have revenue generating possibilities, and/or scalability and replication potential.



www.bavc.org

Bay Area Video Coalition (BAVC) is a nonprofit media arts center launched in 1976 as a way to make emerging video technology accessible to independent mediamakers. BAVC's enterprise is utilizing a high-speed fiber network to transform their in-person technology training programs to an offline format. The goal is to expand the market base for these state-of-the art training services and build a profitable online enterprise.



www.lbymcayi.org

YMCA of Greater Long Beach Youth Institute is an intensive year-round program that uses digital and social media technology training to promote positive youth development and enhanced academic success and career readiness of low-income, culturally diverse, urban high school students. Their community enterprise, Change Agent Productions (<http://www.changeagentproductions.org>), is a nonprofit production house offering business and entrepreneurial opportunities to low-income, inner-city high school and college-age youth. Youth develop professional technology and social skills while gaining corporate and workplace experience.



www.youthoutlook.org

Youth Outlook (YO!) youth division of New America Media, produces and distributes youth media content locally and nationally. YO! is the umbrella organization that houses YO!TV, YO!Radio, and four magazines (Debuge, The Beat Within, SNAG, SPRAWL). YO! also podcasts and streams youth content directly from its website, www.youthoutlook.org. YO! trains and employs youth ages 14-25 in all aspects of its programs. YO!'s enterprise will provide bundled advertising access on all its platforms to "old and new" media and advertising companies. They will create and distribute youth generated content that influences opinions and moves policies.



www.youthradio.org

Youth Radio is an award winning nationally recognized leader in youth media content creation and distribution. It provides intensive, free, after - school media training and broadcast journalism education to over 400 low-income and youth of color annually. Youth Radio plans to redesign its operation from a high-end youth development and media production company to a national aggregator and curator of youth-created content. Youth Radio's enterprise, Youth Media International, distributes youth-created content that generates advertising and sponsorship revenue.



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PIPELINE INVESTMENTS

Pipeline Investments are unsolicited programs. Pipeline investments are intended to potentially mature into opportunities for Big Bet investments within a 12 to 18 month timeframe.



www.cmcweb.org

Center for Multicultural Cooperation promotes educational programs for social and civic responsibility, service learning, media, art, history and multicultural cooperation throughout the Central Valley. The Fresno Youth Empowerment Studio (FresYES) engages underserved youth by training them to be "digital social entrepreneurs" and skillful producers of culturally relevant media.

CRAIGSLIST
FOUNDATION

www.craigslistfoundation.org

Craigslist Foundation creates community in the nonprofit arena by "helping people help," regardless of cause or sector. Their venture, Project Entry Point, is a social networking/resource website to benefit the nonprofit community and the individuals they serve. The overall goal of the Craigslist Foundation is to connect nonprofit leaders and compassionate citizens to the resources they need to fulfill their social impact goals. Project Entry Point is designed to enhance this effort with an online resource guide modeled on the existing Craigslist site.



www.epa.net

EPA.net is an online community resource center that provides East Palo Alto with relevant, up-to-date, and general information. The goal of EPA.net is to be a voice for the community by providing families, businesses and community-based organizations with online tools that increase their capacity to serve their local community. EPA.net seeks to grow its community enterprise of working with local youth to create web and video products. To achieve this growth, it intends to involve youth in leadership roles on the business side as well as expand its client base beyond East Palo Alto into broader Silicon Valley.

Filipinos for Affirmative Action

www.filipinos4action.org

FAA seeks to increase voter participation and civic engagement of Filipinos in California by building FilCEP (Filipino Civic Engagement Project), a statewide network that uses technology-centered best practices. This network will conduct voter mobilization, data collection and analysis, and engage Filipinos in the development of positive social policy aimed at defending and expanding the rights of immigrants. FAA's mission is to build a strong and empowered Filipino community by organizing constituents, developing leaders, providing services, and advocating for policies that promote social and economic justice and equity.



www.hiphopcongress.com

Hip Hop Congress (HCC) is one of the largest hip hop activist organizations in the country. The Hip Hop Congress provides the Hip Hop Generation and the Post Hip Hop Generation with the tools, resources and opportunities to make social, economic and political change on a local, regional and national level. Hip Hop Congress is the product of a merger of artists and students, music and community. HHC is creating a network to connect disparate, localized, artists with local community activist organizations looking for new ways to promote their social justice messages.



www.latinas.org

Founded in 1989, **Hispanas Organized for Political Equality (HOPE)** works to provide a critical voice to Latinas to develop their personal growth, prosperity, and political clout through innovative advocacy, education and leadership strategies and programs. With its newly launched HOPE.ACT.VOTE campaign, HOPE is utilizing an interactive advocacy web-portal aimed at mobilizing California's 1.6 million Latina registered voters. HOPE is utilizing a variety of web-based advocacy tools to increase the number of informed Latina voters, motivate them to become politically active and advocate on behalf of HOPE's policy agenda, and increase the number of Latinas directly communicating with policymakers to impact state policy.



www.justthink.org

Just Think teaches young people media literacy skills for the 21st century. They have created and delivered in-school, after-school and online media arts and technology education locally, nationally, and internationally for thirteen years. In the past four years their programs have impacted over 2000 students nationwide. Just Think's enterprise earns revenues through training teachers to use key concepts of media literacy and selling their innovative curricula online.



www.ltsc.org

Little Tokyo Unplugged, a project of the Little Tokyo Service Center (LTSC), is a community wireless network that provides Wi-Fi Internet services to local residents, visitors, small businesses, and the nonprofit community. It contributes to the overall community and economic development of the neighborhood, helps promote Little Tokyo's culture and history, and connects local residents to the Internet. Little Tokyo Unplugged will expand wireless broadband access in Little Tokyo and neighboring communities. LTSC will reach out to residents and stakeholders with language, disability, age and income challenges in this distinct area of Los Angeles.



www.micromentor.org

MicroMentor's enterprise will provide emerging entrepreneurs from low-income communities with convenient and affordable access to trusted business mentoring, current industry information, and personalized advice via a web-based social network application. MicroMentor's mission is to build businesses that increase economic activity and employment opportunities in low and moderate income communities.



www.epamap.org

Mural Music and Arts Program (MMA) is an innovative arts organization that uses public art to promote social discourse and change social perceptions of low-income communities in California. In 2006, MMA created an online virtual gallery which highlights mural images accompanied by the recorded voices of the youth artists that explain the rich histories behind each design. MMA is expanding its virtual gallery into an online marketplace, Critical Condition, to sell and distribute community-based public art online and allow approximately 450 youth artists to sell their work online.

PIPELINE INVESTMENTS CONTINUED ON BACK



ZERODIVIDE INITIATIVES

The ZeroDivide Fellowship is designed to effect change in our communities through developing local leadership. The ZFellows are comprised of a group of diverse dedicated leaders who recognize the power of technology and network to leverage community and industry resources to promote thriving communities. The ZFellows will promote and engage in creating a technology policy to move a community technology policy agenda on behalf of disadvantaged communities.

The Digital Storytelling Institute (DSI) promotes the voice of disadvantaged communities to foster greater communications and outreach from and among their constituents. Using digital media, DSI's goal is to build an organization's capacity and to engage communities in social change digital storytelling.

The Hip hop Initiative demonstrates the conscious use of Hip hop as a multi-media communications vehicle that extends beyond consumer entertainment. The programs use digital media and popular culture to alter the economic, political, and social landscapes of underserved communities. ZeroDivide collaborates with leaders in the Hip hop social movement to engage in dialogue to strategize, collaborate, and coordinate their efforts so that Hip hop activism remains a force in fostering social justice.



The Opportunity Agenda

www.opportunityagenda.org

The Opportunity Agenda works with social justice organizations and leaders to connect with core American values, and expand the constituency for opportunity through an integrated strategy of communications, research, and advocacy. The Opportunity Agenda integrates Web 2.0 advocacy tools in California's health care reform efforts by creating an interactive website that geographically illustrates racial, socioeconomic and geographic disparities in health care while promoting solutions and engaging affected communities, policymakers and others in acting on those solutions.



www.rapsessions.org

Rap Sessions is a multiracial panel of Hip hop experts who tour California and the nation to engage youth in candid, compelling conversations about race, gender, and power. Bakari Kitwana, in collaboration with Pasadena City College, created Rap Sessions, a national conversation on Hip hop and race. These "town hall" styled meetings are designed to expand our nation's current understanding of race and youth culture. Utilizing technology to disseminate the information to a wider audience allows others to access the information gathered at the sessions.



www.reach.la

REACH LA is a youth-driven organization committed to educating, motivating, and mobilizing urban youth to improve their lives and communities. REACH LA is strengthening and expanding its Department of Social Enterprise for Youth by incorporating digital media arts and technology in the production and marketing of youth-produced products and services. REACH LA's mission is to train low-income youth of color from Metropolitan Los Angeles and empower them with technology skills to develop innovative program initiatives that lead to social change in their own peer community.



www.sdfutures.org

San Diego Futures Foundation works to establish accessibility to information technology resources, increase computer literacy, and provide training to enable a broader range of citizens to cross the digital divide. The WhizKidz venture trains at-risk young adults (18-24 years old) to develop marketable technical, entrepreneurial, and business skills while teaching small business owners in the San Diego City Heights area to leverage technology to improve productivity and increase revenue.



www.socallib.org

Southern California Library (SCL) is an independent, community-based, social justice library and resource center whose collections span the breadth of Los Angeles' social and political movements. The Southern California Library is a library dedicated to documenting and preserving the histories of communities in struggle for justice and using our collections to address the challenges of the present so that all people have the ability, resources, and freedom to make their own histories. For more than 40 years, SCL has collected, archived, and made available to the public over 400 one-of-a-kind, manuscripts, speeches, photographs, and films. SCL now offers access to its collections online through a web portal.



www.sctca.net

Southern California Tribal Chairmen's Association through the Tribal Digital Village (TDV), developed a residential Tribal wireless Internet Service Provider (ISP). This ISP connects Tribal community members by bringing the Internet into the Tribal home. The enterprise will provide broadband internet service in the rural Tribal communities that currently do not have service. TDV provides a wireless solution that delivers "city speeds" at "dial-up prices" to its residents.



www.womensaudiomission.org

Women's Audio Mission (WAM) is a women-run, nonprofit organization dedicated to the advancement of women in the recording arts. WAM uses video technology to produce on-demand learning units, live and interactive lectures, and member meetings to reach low-income women throughout California. They leverage social media and video streaming technology and utilize Second Life as a means of delivering educational content. In a field where women are historically underrepresented, WAM seeks to create an environment that will encourage and enable the aspirations of women in the recording arts.

FINANCIAL STATEMENTS*



Statements of Financial Position

Assets	2008	2007
Cash and cash equivalents	\$ 1,894,877	3,644,688
Cash held in trust	48,138	273,026
Investments	10,213,782	14,328,996
Grants receivable	128,309	275,000
Property and equipment	46,598	66,993
Other assets	114,772	780,654
Total assets	\$ 12,446,476	\$ 19,369,357

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 143,469	153,280
Grants payable	874,855	1,299,944
Fiscal liability	48,138	273,026
Total liabilities	\$ 1,066,462	1,726,250

Net assets

Unrestricted	3,694,511	5,527,357
Temporarily restricted	7,685,503	12,115,750
Total net assets	11,380,014	17,643,107
Total liabilities and net assets	\$ 12,446,476	\$ 19,369,357

Statements of Activities

	2008			2007
	Unrestricted	Temporarily restricted	Total	Total
Support and revenue				
Contributions	\$ 663,535	\$ -	\$ 663,535	\$ 2,971,823
In-kind contributions	13,248	74,551	87,799	22,500
Interest and investment income	866,330	-	866,330	1,174,982
Special Events	37,086	-	37,086	-
Realized and unrealized loss from investments	(2,846,556)	-	(2,846,556)	(99,774)
Other income	13,344	-	13,344	970
Net assets released from restrictions	4,504,798	(4,504,798)	-	-
<i>Total support and revenue</i>	3,251,785	(4,430,247)	(1,178,462)	4,070,501
Expenses				
Program service	4,324,832	-	4,324,832	4,775,830
Management and general	340,882	-	340,882	336,272
Fund raising	418,917	-	418,917	464,545
<i>Total expenses</i>	5,084,631	-	5,084,631	5,576,647
Change in net assets	(1,832,846)	(4,430,247)	(6,263,093)	(1,506,146)
Net assets beginning of year	5,527,357	12,115,750	17,643,107	19,149,253
<i>Net assets end of year</i>	\$ 3,694,511	\$ 7,685,503	\$ 11,380,014	\$ 17,643,107

* Based on audited financial statements





BOARD/STAFF

The Board of Directors originated from a groundbreaking partnership of community leaders representing the State's ethnic/racial populations. Current members of ZeroDivide Board continue to bring a wealth of knowledge and expertise in technology, business enterprise development, government policy, and nonprofit management.

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